

**Federal Crop Insurance Corporation, USDA**

**§ 457.121**

(e) Where the actuarial documents provide, and you elect, the fresh fruit option, citrus fruit that is not marketable as fresh fruit due to insurable causes will be adjusted by:

(1) Dividing the value per ton of the damaged citrus by the price of undamaged citrus fruit; and

(2) Multiplying the result by the number of tons of such citrus fruit. The applicable price for undamaged citrus fruit will be the local market price the week before damage occurred.

(f) Any production will be considered marketed or marketable as fresh fruit unless, due solely to insured causes, such production was not marketed as fresh fruit.

(g) In the absence of acceptable records of disposition of harvested citrus fruit, the disposition and amount of production to count for the unit will be the guarantee on the unit.

(h) Any citrus fruit on the ground that is not harvested will be considered totally lost if damaged by an insured cause.

**13. Late and Prevented Planting**

The late and prevented planting provisions of the Basic Provisions are not applicable.

[61 FR 41300, Aug. 8, 1996; 61 FR 57583, Nov. 7, 1996, as amended at 62 FR 65169, Dec. 10, 1997]

Container size	Citrus fruit commodity	Pounds
Container #58 .....	Oranges .....	38
Container #58 .....	Lemons .....	40
Container #59 .....	Grapefruit .....	32
Container #63 .....	Mandarins/Tangerines .....	25
Container #63 .....	Tangelos .....	25

*Citrus fruit commodity.* Citrus fruit as follows:

- (1) Oranges;
- (2) Lemons;
- (3) Grapefruit;
- (4) Mandarins/Tangerines;
- (5) Tangelos; and
- (6) Any other citrus fruit commodity designated in the actuarial documents.

*Citrus fruit group.* A designation in the Special Provisions used to identify commodity types within a citrus fruit commodity that may be grouped together for the purposes of electing coverage levels and identifying the insured crop.

*Commodity type.* A specific subgroup of a citrus fruit commodity having a characteristic or set of characteristics distinguishable from other subgroups of the same citrus fruit commodity.

*Crop year.* The period beginning with the date insurance attaches to the insured crop and extending through normal harvest time. It is designated by the calendar year following the year in which the bloom is normally set.

**§ 457.120 [Reserved]**

**§ 457.121 Arizona-California citrus crop insurance provisions.**

The Arizona-California citrus crop insurance provisions for the 2015 and succeeding crop years are as follows:

UNITED STATES DEPARTMENT OF AGRICULTURE

Federal Crop Insurance Corporation

*Arizona-California Citrus Crop Provisions*

**1. Definitions**

*Carton.* The standard container for marketing the fresh packed citrus fruit commodity, as shown below, unless otherwise provided in the Special Provisions. In the absence of marketing records on a carton basis, production will be converted to cartons on the basis of the following average net pounds of packed fruit in a standard packed carton, unless otherwise provided in the Special Provisions.

*Dehorning.* Cutting of any scaffold limb to a length that is not greater than one-fourth (¼) the height of the tree before cutting.

*Direct marketing.* Sale of the insured crop directly to consumers without the intervention of an intermediary such as a wholesaler, retailer, packer, processor, shipper or buyer. Examples of direct marketing include selling through an on-farm or roadside stand, farmer's market, and permitting the general public to enter the field for the purpose of picking all or a portion of the insured crop.

*Graft.* To unite a bud or scion with a rootstock or interstock in accordance with recommended practices to form a living union.

*Harvest.* The severance of mature citrus from the tree by pulling, picking, or any other means, or by collecting marketable fruit from the ground.

*Interplanted.* Acreage on which two or more agricultural commodities are planted in any form of alternating or mixed pattern.

*Interstock.* The area of the tree that is grafted to the rootstock.

## § 457.121

## 7 CFR Ch. IV (1–1–16 Edition)

*Rootstock.* The root and stem portion of a tree to which a scion can be grafted.

*Scaffold limb.* A major limb attached directly to the trunk.

*Scion.* A detached living portion of a plant joined to a rootstock or interstock in grafting.

*Set out.* Transplanting a tree into the grove.

*Topwork.* Grafting a scion onto a pruned scaffold limb.

### 2. Unit Division

(a) Basic units will be established in accordance with section 1 of the Basic Provisions.

(b) Provisions in the Basic Provisions that allow optional units by section, section equivalent, or FSA farm serial number and by irrigated and non-irrigated practices are not applicable. Unless otherwise allowed by written agreement, optional units may only be established if each optional unit meets one or more of the following:

(1) The optional unit is located on non-contiguous land; and

(2) In addition to or instead of establishing optional units by non-contiguous land, optional units may be established by commodity type if allowed by the Special Provisions.

### 3. Insurance Guarantees, Coverage Levels, and Prices for Determining Indemnities

(a) In addition to the requirements of section 3 of the Basic Provisions, you may select only one price election and coverage level for each citrus fruit group you elect to insure. The price election you choose for each citrus fruit group need not bear the same percentage relationship to the maximum price offered by us for each citrus fruit group. For example, if you choose one hundred percent (100%) of the maximum price election for the citrus fruit group for Valencia oranges, you may choose seventy-five percent (75%) of the maximum price election for the citrus fruit group for Navel oranges. However, if separate price elections are available by commodity type within each citrus fruit group, the price elections you choose for each commodity type must have the same percentage relationship to the maximum price offered by us for each commodity type within the citrus fruit group.

(b) In lieu of reporting your citrus production of marketable fresh fruit for the previous crop year, as required by section 3 of the Basic Provisions (§457.8), there is a lag period of one year. Each crop year, you must report your production from two crop years ago, e.g., on the 2015 crop year production report, you will provide your 2013 crop year production.

(c) In addition, you must report, by the production reporting date designated in sec-

tion 3 of the Basic Provisions (§457.8), by commodity type, if applicable:

(1) The number of trees damaged, dehorned or removed; any change in practices or any other circumstance that may reduce the expected yield below the yield upon which the insurance guarantee is based; and the number of affected acres;

(2) The number of bearing trees on insurable and uninsurable acreage;

(3) The age of the trees and the planting pattern; and

(4) For the first year of insurance for acreage interplanted with another perennial agricultural commodity and any time the planting pattern of such acreage is changed:

(i) The age of the interplanted agricultural commodity and commodity type, if applicable;

(ii) The planting pattern; and

(iii) Any other information that we request in order to establish your approved yield.

(d) We will reduce the yield used to establish your production guarantee as necessary, based on our estimate of the effect of any situation listed in section 3(c) that may occur. If you fail to notify us of any situation in section 3(c), we will reduce your production guarantee as necessary, at any time we become aware of the circumstance. If the situation in 3(c) occurred:

(1) Before the beginning of the insurance period, the yield used to establish your production guarantee will be reduced for the current crop year regardless of whether the situation was due to an insured or uninsured cause of loss;

(2) After the beginning of the insurance period and you notify us by the production reporting date, the yield used to establish your production guarantee will be reduced for the current crop year only if the potential reduction in the yield used to establish your production guarantee is due to an uninsured cause of loss; or

(3) After the beginning of the insurance period and you fail to notify us by the production reporting date, an amount equal to the reduction in the yield will be added to the production to count calculated in section 11(c) due to uninsured causes. We may reduce the yield used to establish your production guarantee for the subsequent crop year to reflect any reduction in the productive capacity of the trees.

### 4. Contract Changes

In accordance with section 4 of the Basic Provisions (§457.8), the contract change date is August 31 preceding the cancellation date.

### 5. Cancellation and Termination Dates

In accordance with section 2 of the Basic Provisions (§457.8), the cancellation and termination dates are November 20.

## 6. Insured Crop

In accordance with section 8 of the Basic Provisions, the insured crop will be all the acreage in the county of each citrus fruit group you elect to insure and for which a premium rate is provided by the actuarial documents:

- (a) In which you have a share;
- (b) That is grown on rootstock and trees adapted to the area;
- (c) That is irrigated;
- (d) That is grown in a grove that, if inspected, is considered acceptable by us;
- (e) That is not sold by direct marketing, unless allowed by the Special Provisions or by written agreement; and
- (f) That, unless otherwise provided in the Special Provisions or if we inspect and approve a written agreement to insure such acreage, is grown on trees that have reached at least:
  - (1) The sixth growing season after being set out; or
  - (2) The fifth growing season after topwork or grafting, if topwork or grafting occurs after set out.

## 7. Insurable Acreage

In lieu of the provisions in section 9 of the Basic Provisions that prohibit insurance attaching to interplanted acreage, citrus interplanted with another perennial agricultural commodity is insurable unless we inspect the acreage and determine it does not meet the requirements contained in your policy.

## 8. Insurance Period

(a) In accordance with the provisions of section 11 of the Basic Provisions (§457.8):

(1) Coverage begins on November 21 of each crop year, except that for the year of application, if your application is received after November 11 but prior to November 21, insurance will attach on the 10th day after your properly completed application is received in our local office unless we inspect the acreage during the 10-day period and determine that it does not meet insurability requirements. You must provide any information that we require for the insured crop or to determine the condition of the grove.

(2) The calendar date for the end of the insurance period for each crop year is:

- (i) August 31 for:
  - (A) Navel oranges; and
  - (B) Lemons in the Southern California counties of Imperial, Orange, Riverside, San Bernardino, San Diego, and Ventura;
- (ii) November 20 for Valencia oranges; and
- (iii) July 31 for lemons in all other counties and for all other citrus fruit commodities.

(b) In addition to the provisions of section 11 of the Basic Provisions (§457.8):

- (1) If you acquire an insurable share in any insurable acreage after coverage begins, but

on or before the acreage reporting date for the crop year, and after an inspection we consider the acreage acceptable, insurance will be considered to have attached to such acreage on the calendar date for the beginning of the insurance period.

(2) If you relinquish your insurable share on any insurable acreage of citrus on or before the acreage reporting date for the crop year, insurance will not be considered to have attached to and no premium will be due, and no indemnity paid, for such acreage for that crop year unless:

- (i) A transfer of coverage and right to an indemnity, or a similar form approved by us, is completed by all affected parties;
- (ii) We are notified by you or the transferee in writing of such transfer on or before the acreage reporting date; and
- (iii) The transferee is eligible for crop insurance.

## 9. Causes of Loss

(a) In accordance with the provisions of section 12 of the Basic Provisions (§457.8), insurance is provided only against the following causes of loss that occur during the insurance period:

- (1) Adverse weather conditions;
- (2) Fire, unless weeds and other forms of undergrowth have not been controlled or pruning debris has not been removed from the grove;
- (3) Wildlife;
- (4) Earthquake;
- (5) Volcanic eruption;
- (6) Failure of irrigation water supply, if caused by an insured peril that occurs during the insurance period;
- (7) Insects, but not damage due to insufficient or improper application of pest control measures; or
- (8) Plant disease, but not damage due to insufficient or improper application of disease control measures.

(b) In addition to the causes of loss excluded in section 12 of the Basic Provisions, we will not insure against damage or loss of production due to the inability to market the citrus for any reason other than actual physical damage from an insurable cause of loss specified in this section. For example, we will not pay you an indemnity if you are unable to market due to quarantine, boycott, or refusal of any person to accept production.

## 10. Duties in the Event of Damage or Loss

(a) In accordance with the requirements of section 14 of the Basic Provisions, you must leave representative samples. In lieu of section 14(c)(3) of the Basic Provisions, we will determine which trees must remain unharvested as your representative sample so that we may inspect them in accordance with procedures.

(b) In addition to the requirements of section 14 of the Basic Provisions (§457.8), the following will apply:

(1) If the Special Provisions permit or a written agreement authorizing direct marketing exists, you must notify us at least 15 days before any production from any unit will be sold by direct marketing. We will conduct an appraisal that will be used to determine your production to count for production that is sold by direct marketing. If damage occurs after this appraisal, we will conduct an additional appraisal. These appraisals, and any acceptable records provided by you, will be used to determine your production to count. Failure to give timely notice that production will be sold by direct marketing will result in an appraised amount of production to count of not less than the production guarantee per acre if such failure results in our inability to make the required appraisal.

(2) If you intend to claim an indemnity on any unit, you must notify us at least 15 days prior to the beginning of harvest or immediately if damage is discovered during harvest so that we may have an opportunity to inspect unharvested trees. You must not sell or dispose of the damaged insured crop until after we have given you written consent to do so. If you fail to meet the requirements of this section, all such production will be considered undamaged and included as production to count.

#### 11. Settlement of Claim

(a) We will determine your loss on a unit basis. In the event you are unable to provide acceptable production records:

(1) For any optional unit, we will combine all optional units for which such production records were not provided; or

(2) For any basic unit, we will allocate any commingled production to such units in proportion to our liability on the harvested acreage for each unit.

(b) In the event of loss or damage covered by this policy, we will settle your claim by:

(1) Multiplying the insured acreage for each commodity type by its respective production guarantee;

(2) Multiplying the results of section 11(b)(1) by the respective price election for each commodity type;

(3) Totaling the results of section 11(b)(2);

(4) Multiplying the total production to be counted of each commodity type (see section 11(c)), by the respective price election;

(5) Totaling the results of section 11(b)(4);

(6) Subtracting this result of section 11(b)(5) from the result of section 11(b)(3); and

(7) Multiplying the result of section 11(b)(6) by your share;

(c) The total production to count (in cartons) from all insurable acreage on the unit will include:

(1) All appraised production as follows:

(i) Not less than the production guarantee per acre for acreage:

(A) That is abandoned;

(B) For which you fail to provide acceptable production records;

(C) That is damaged solely by uninsured causes; or

(D) From which production is sold by direct marketing, if direct marketing is specifically permitted by the Special Provisions or a written agreement, and you fail to meet the requirements contained in section 10;

(ii) Production lost due to uninsured causes;

(iii) Unharvested production determined to be marketable as fresh packed fruit; and

(iv) Potential production on insured acreage that you intend to abandon or no longer care for, if you and we agree on the appraised amount of production. Upon such agreement, the insurance period for that acreage will end. If you do not agree with our appraisal, we may defer the claim only if you agree to continue to care for the insured crop. We will then make another appraisal when you notify us of further damage or that harvest is general in the area unless you harvested the insured crop, in which case we will use the harvested production. If you do not continue to care for the insured crop, our appraisal made prior to deferring the claim will be used to determine the production to count;

(2) All harvested production marketed as fresh packed fruit from the insurable acreage; and

(3) All citrus that was disposed of or sold without an inspection or written consent.

(d) Any production will be considered marketed or marketable as fresh packed fruit unless, due solely to insured causes, such production was not marketed or marketable as fresh packed fruit.

(e) Citrus that cannot be marketed as fresh packed fruit due to insurable causes will not be considered production to count.

(f) If you elect the frost protection option and we determine that frost protection equipment, as specified in the Special Provisions, was not properly utilized or not properly reported, the indemnity for the unit will be reduced by the percentage of premium reduction allowed for frost protection equipment. You must, at our request, provide us records showing the start-stop times by date for each period the frost protection equipment was used.

#### 12. Late and Prevented Planting

The late and prevented planting provisions of the Basic Provisions are not applicable.

[61 FR 44147, Aug. 28, 1996, as amended at 62 FR 65170, Dec. 10, 1997; 78 FR 46253, July 31, 2013]